GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1374
ANSWERED ON:08.03.2002
CLOSE DOWN OF JESSOP COMPANY INDIA LIMITED
BASUDEB ACHARIA

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Union Government have decided to close down Jessop and Company Limited, Kolkata;

(b) if so, the details thereof;

(c) whether it is also a fact that company is manufacturing Rail Wagons;

(d) if so, the details thereof; and

(e) the efforts made by the Government to revive the company?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) No Sir.

(b) Does not arise.

(c) Yes, Sir.

(d) During the last three financial years, the wagon orders received by Jessop from Railwaysand the orders executed by them are as under:-

Four Wheeler Units

Year	Orders received	Orders Executed
1998-1999	385	407.5+
1999-2000	355	187.5
2000-2001	542.5	385

+ Includes execution of pending orders of previous years.

(e) In 1986 Government provided financial restructuring of Rs.54 crore to Jessop for itsturnaround. In 1997 & 1998, Government of India (GOI) infused fresh funds of Rs.54 crore andprovided financial restructuring of Rs.171 crore to the company as a part of the BIFR revivalscheme. In addition GOI has released fresh funds of Rs.118 crore for salary & wages, VRS,statutory dues and capital expenditure during the last two years. Even with this huge assistance, the company has not been able to turnaround. The BIFR had declared the revival scheme of the company as failed on 17.8.2000 and ordered change of management, which did not succeed. On GOI`s request, instead of issuing winding up notice, the BIFR have allowed tœxplore revival throughjoint venture formation. The disinvestment process is in progress.